CLASSIFICATION RESTRICTED

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

CENT: 1

NTELLIGENCE AGENCY

EPORT CD NO.

STAT

COUNTRY

orChina com

Political

DATE OF INFORMATION

1949

SUBJECT 1

HOW PUBLISHED Daily newspaper

DATE DIST. 10 May 1949

WHERE

PUBLISHED Shang-hai

NO. OF PAGES

DATE

PUBLISHED 31 Mar 1949

LANGUAGE Chinese

SUPPLEMENT TO REPORT NO.

THIS SOCCHESST COSTAINS INFORMATION AFFECTING THE MATICALL DEFENDE OF THE SHITE STATES WITHIN 1THE ITEM EXAMING OF REPORTING ACT TO D. C. C. I AND D. AM AREADOS. ITS TRANSSISSION OF RESTRICTION OF THE CONTESTS IN ANY RELEVES TO IN SHAPPIONIZED PRISON IS PRO-NICITIES OF LEAST. SEPROMOTION OF THE PORM IN PROMISERIES.

THIS IS UNEVALUATED INFORMATION

SOURCE

Ho-p'ing Jih-pao.

POLITICAL SITUATION IN KWANGSI REVIEWED

According to a competent observer, Pai Chung-hal is using the period of uncertain peace talks to develop a strong base of resistance in central Ewangsi.

Political and military needs go hand in hand, so there has been talk of a change in governorship. Early in 1948, when Communist troops were knocking at the gates of Anhwei, there were strong rumors that Li P'in-hsien would be moved from Anhwei to Kwangsi, but this did not happen chiefly because the Kwangsi clique wished to retain both spheres of power, Anhwei and Kwangsi. Now, however, the situation has changed. Anhwei is still in the hands of the Kwangsi clique, and with Kwangsi facing a military crisis, the leadership of a military man like Ii is needed. The major-domo role of Huang Hsü-ch'u is no longer suitable.

In ability, Huang is on a par with Li Tsung-jen and Pai Chung-hsi. Ten years ago Li-Pai-Huang's triumvirate was well known. Their interests became waried; Li specialized in politics, Pai in military matters, and both were occupied elsewhere while Tang was left at home as a sort of "housekeeper." This onerous tole he has played well, making for himself a solid throne of power in Kwangsi. While Li and Pai were gaining experience on the national scene, however, Huang, for more than a decade, was busy with maintaining order in Kwangsi, and was thus sealed off from national politics. This situation has occasioned the present talk of Huang's removal from his post.

Meanwhile, Haung's talents are still being greatly utilized in the cervice of the province. Recently, under his leadership, Kwangsi has been preparing to use American old. On a recent visit here, two representatives of the Eural Reconstruction Commission, Yen Yang-ch'u ("Jimmy Yen") and Baker, made studies and plans to this end. Yen has a high regard for what has already been done in this province, and indicates that US \$200,000 may be appropriated for irrigation, stock-breeding, and other forms of rural improvement.

In this connection, a Kwangsi port is much needed. This province has been too long dependent on Kwangtung in this regard. The authorities are pressing for the opening of Wu-chou as a port of entry into the province.

- RND -

- 1 -

CLASSIFICATION									CAR GED							
	STATE	X	NAVY		X	MSRB	Π	DISTR	BUTION			Г		Т		\Box
	ARMY	X	AIR		\mathbf{x}	FBI						Г				П
					_											